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UNCLAS TEL AVIV 005723

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: KWBG KPAL PREL ECON EAID PINS IS GAZA DISENGAGEMENT

SUBJECT: GAZA STRIP: EUPHORIA OR ANARCHY?

REF: TEL AVIV 5661

Consulate General Jerusalem has cleared this message.

SENSITIVE BUT UNCLASSIFIED. PLEASE TREAT ACCORDINGLY.

1. (SBU) A PA Ministry of Interior contact told poloff September 16 that the situation in Rafah remains "a big mess," with movement of Egyptians and Palestinians across the border through up to seven openings. The MOI contact, who visited Rafah on September 15 and remained in touch with his contacts throughout the day on September 16, said that Palestinian security forces are planning with their Egyptian counterparts to control border crossings as of Monday, September 19. ConGen contacts say that Palestinian security forces are making efforts to seal up breaches and prevent new visitors from crossing, but that a motivation for the delay in sealing the borders is to allow Palestinians and Egyptians who have already crossed to return to their respective countries. Israeli DMI officers also told DAT today that they believed the Egyptians were bringing their border guards forward to replace police and would be deploying next week.

2. (U) Most Gaza contacts report that the huge flow of people back and forth through Rafah was an innocent outpouring of pent up interest in making the crossing after decades of being denied the trip. Most made the crossing because they finally could. In some cases, families had been separated for years, so some Gazans jumped at the first opportunity to see family members. A business contact reported that no taxis were available in Gaza City on September 15 because "every adult in Gaza had gone to Rafah."

3. (U) Among the day travelers were profit seekers and/or savvy consumers who took the opportunity to purchase cheaper Egyptian products. According to one Gaza businessman, over \$30 Million in Egyptian goods made their way into Gaza during this period, with buyers stocking up on cigarettes, medicines, cheese and livestock. The same Gaza businessman said that his son made the trip through Rafah to the Egyptian town of El-Arish (about 100 km south of Gaza) on September 14, only to find nothing left to buy there. One Gazan businessman reportedly turned a 50,000 dollar profit in one day by selling cigarettes. Egyptian Bedouin from the Sinai reportedly entered Gaza to conduct business there.

4. (U) USAID local staff and other observers on the ground report that there has been no more than ten percent structural damage to greenhouses purchased with the support of a private foundation and private individuals in the U.S. Some of the greenhouses likely suffered the loss of pumps, pipes and other equipment during the looting that occurred in the days immediately following the IDF withdrawal. A detailed assessment of the greenhouses is underway.

5. (SBU) An NGO contact from Gaza City, who visited family property near Netzarim and toured the central Gaza Strip September 16, reported to poloff what he termed thousands of militia members from Hamas, PIJ and the Al-Aqsa brigades brandishing weapons and patrolling in groups -- particularly in the Nusayrat refugee camp and vicinity. Aside from sporadic firing in the air, there has been no militia violence of note, but neither Fatah, the PA nor its police force appear to have any influence on the street, he added.

6. (SBU) A PLC vote of no confidence in the PA cabinet, called by 16 Palestinian legislators on September 15, may take place as early as September 17, according to contacts. ConGen contacts believe the session will not be held until Thursday, September 22. Under PLC rules, ten or more legislators can request a session to hold a vote of no confidence. However, it takes a simple majority plus one (i.e., 45 votes) to actually bring down the government. None of our contacts believe a vote of no confidence will actually prevail. According to one contact, PA PM Quraya' will travel to Cairo and hold talks with President Mubarak on the issue of Rafah.

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